

DOCKET SECTION

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Postal Rate and Fee Changes, 1997)

Docket No. R97-1

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS PAUL M. LION
(OCA/USPS-T24-1-9)
July 18, 1997

Pursuant to sections 25 and 26 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents. Instructions included with OCA interrogatories 1-7 to the United States Postal Service dated July 16, 1997, are hereby incorporated by reference.

Respectfully submitted,



GAIL WILLETTE

Director

Office of the Consumer Advocate



SHELLEY S. DREIFUSS

Attorney

OCA/USPS-T24-1. Please refer to your testimony at page 2, lines 17-19.

- a. Please confirm that the "POB Survey" referred to in your testimony is the same Post Office Box Study described on pages 3 -14 of your testimony in Docket No. MC96-3. If you do not confirm, please explain.
- b. Please confirm that the Post Office Box Study from Docket No. MC96-3 has not been revised or updated with supplemental information on the number of post office boxes installed or in use. If you do not confirm, please explain.
- c. Please confirm that the Postal Service has not conducted any other study of post office boxes during the past five years concerning the number of post office boxes installed or in use. If you do not confirm, please explain, and provide copies of (and file as library references) any and all such studies.

OCA/USPS-T24-2. Please refer to your testimony at pages 1-3.

- a. Please confirm that post office box fee groups are based on groupings of post office by the type of carrier delivery service, or lack thereof, provided. If you do not confirm, please explain.
- b. Please confirm that the grouping of post offices by the type of carrier delivery service, or lack thereof, provided was not based on the costs associated with each office in the group. If you do not confirm, please explain.
- c. Please confirm that post office box fee groups based on the grouping of post offices by the type of carrier delivery service, or lack thereof, provided are not designed to be a homogeneous cost grouping. If you do not confirm, please explain.

OCA/USPS-T24-3. Please refer to Tables 1 and 2 of your testimony.

- a. Please provide the total number of post office boxes installed, and annual change in the number of boxes installed, for each of the past five years.
 - i. What percent of the change in the number of boxes installed occurred at existing facilities that were renovated or remodeled?
 - ii. What percent of the change in the number of boxes installed occurred at facilities that were newly opened for business?
- b. Please provide the total number of post office boxes in use, and the annual change in the number of boxes in use, for each of the past five years.
 - i. What percent of the change in the number of boxes in use occurred at existing facilities that were renovated or remodeled?
 - ii. What percent of the change in the number of boxes in use occurred at facilities that were newly opened for business?

OCA/USPS-T24-4. Please refer to your testimony at page 5, Table 1.

- a. Please confirm that Delivery Group "City - A" consists entirely of CAG A post offices. If you do not confirm, please explain.
- b. Please provide the number of post office boxes installed, for each box size, by CAG.
- c. Please provide the number of post office boxes in use, for each box size, by CAG.

- d. Please provide the number of post office boxes installed, for each box size, by CAG in each delivery group.
- e. Please provide the number of boxes in use, for each box size, by CAG in each delivery group.

OCA/USPS-T24-5. Please refer to your testimony at page 20, lines 19-21, and Table 12.

- a. Please confirm that the rent paid for leased space is the average rental cost per square foot. If you do not confirm, please explain.
- b. Please confirm that the figures shown in the "Average Rent" column of Table 12 are computed as the ratio of total cost to total area for all post offices in each fee group. If you do not confirm, please explain, and provide all data (and file as a library reference any data files) supporting the computation of the figures shown in the "Average Rent" column.

OCA/USPS-T24-6. Please refer to your testimony at page 20, lines 22-24, and page 21, lines 1-2.

- a. Please confirm that the average rental cost per square foot for each fee group is constant. If you do not confirm, please explain.
- b. Is it your testimony that the Postal Service has the data to be able to allocate space provision costs on a post office-by-post office basis? Please explain.
- c. Please provide a citation to the portion of LR-H-188 that implements the procedure described at page 20, lines 22-24, and page 21, lines 1-2.

OCA/USPS-T24-7. Please refer to Table 12 of your testimony.

- a. Please provide the average rental cost in dollars per square foot by CAG.
- b. Please show the computation of average rental cost per square foot by CAG requested in part a. above. Please provide all data (and file as a library reference any data files) supporting the computation of the average rental cost per square foot requested in part a. above.

OCA/USPS-T24-8. Please refer to your testimony at page 22, lines 7-12.

- a. Please confirm that the volume variable cost of space provision is \$223,226,000. If you do not confirm, please explain.
- b. Please confirm that the figure in the expression: $c = (\$179,233,000)/Q$ is the volume variable cost for space provision developed in Docket No. MC96-3. If you do not confirm, please explain.
- c. Please confirm that the volume variable cost for space provision in the expression referred to in part b. above should be \$223,226,000. If you do not confirm, please explain.

OCA/USPS-T24-9. Please refer to LR-H-188, pages 16-20.

- a. Did you consider calculating group rent per square foot as the ratio of total group rental cost to total group square footage for your complete data set (excluding the one percentile and 99 percentile outliers)? Why did you not use such a formula to calculate your rental cost per square foot?

- b. Please consider the following modifications to your SAS program:

Modify line 12 to read:

KEEP ZIP FINANCE RSCTSQFT RENTAMT INTSQFT;

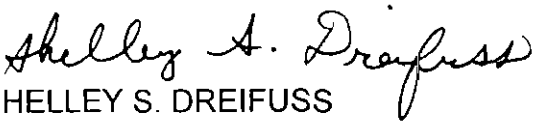
Insert after line 136:

```
PROC MEANS;  
CLASS GROUP  
VAR RENTAMT INTSQFT;  
OUTPUT OUT=GRPSUM SUM=;  
DATA GRPAVG; SET GRPSUM;  
AVRCSF=RENTAMT/INTSQFT;  
PROC PRINT DATA=GRPAVG;
```

- i. Please confirm that the above modifications would produce the ratios of total group rental cost to total group square footage as referred to in part a. of this interrogatory. If you do not confirm, please provide any corrections necessary.
- ii. Please provide the results of modifying your SAS program so that the ratios referred to in part a. are produced.
- iii. Please confirm that this modification excludes the one percentile and 99 percentile facility rental cost per square foot outliers as in the unmodified program.
- c. Please confirm that the data sets utilized by your SAS program have not been and will not be filed as a library reference. If you do not confirm, please identify the library reference containing the data sets.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the rules of practice.


SHELLEY S. DREIFUSS
Attorney

Washington, D.C. 20268-0001
July 18, 1997